

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3104
ANSWERED ON:20.03.2008
PROFIT TO RINL
Barman Shri Hiten

Will the Minister of STEEL be pleased to state:

- (a) whether all the major companies doing the business of steel in the country are making a very good profit;
- (b) if so, whether the profit to Rashtriya Ispat Nigam Ltd. (RINL) has been decreasing year by year;
- (c) if so, the reasons therefor; and
- (d) the steps taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (DR.AKHILESH DAS)

(a)to(c): The details of the profit after tax (PAT) made by the major steel companies including Rashtriya Ispat Nigam Ltd.(RINL) during the period 2003-04 to 2006-07 are as under:

(Rupees in crores)

Company	Profit After Tax			
	2003-04	2004-05	2005-06	2006-07

Steel Authority of India Ltd.	2512	6817	4013	6202
Rashtriya Ispat Nigam Ltd.	1547	2008	1252	1363
Tata Steel Ltd.#	1746	3474	3506	4165
JSW Steel Ltd#	793	870	857	1303
Essar Steel Ltd.#	60	590	530	436

(#: Source: National Stock Exchange)

It may be seen from the table that except for the year 2005-06, RINL's profits have been increasing year on year, since the turnaround of RINL in 2002-03. This trend of decline in profits during 2005-06 which was prevalent in other steel companies such as Steel Authority of India Limited, Essar Steel Ltd. and JSW Steel Ltd was largely owing to decline in prices of steel in 2005-06 relative to 2004-05. In particular, the decline in profit of RINL was also due to the company being subject to regular Income Tax as against the lesser Minimum Alternate Tax during the previous years and rising input costs.

(d): In view of above, does not arise.